

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the September 20, 2013 regular business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Development Board  
Summary Minutes of the Regular Business Meeting  
Franklin County Cooperative Extension Office  
Frankfort, Kentucky  
September 20, 2013**

**Call to Order**

James R. Comer, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:10 a.m. (EDT).

**Roll Call**

The following members were present: Dr. Betty Bailey; Roy Collins; Karen Curtis; Don Goodin (designee for Secretary Larry Hayes); Pat Henderson; Sam Lawson; Jim Mahan; Wayne Mattingly; Sam Moore; Troy Rankin; Dr. Maifan Silitonga (designee for President Mary Sias); Jim Sidebottom; Dean M. Scott Smith; James R. Comer, Vice Chairman and Jamie Link (designee for Governor Steven L. Beshear).

Members absent: Wayne Hunt

**Notification of Media**

Commissioner Comer received verification from Sandy Gardner, Director of Communications, that the media has been notified of the KADB monthly meeting.

**Welcome**

Commissioner Comer welcomed everyone to the meeting and gave a personal invitation to board members to attend the unveiling of Udderly Kentucky at Orange Leaf Frozen Yogurt at Brighton Place Shoppes in Lexington on September 26 from 5:30 p.m. to 7:30 p.m. University of Kentucky Basketball Coach, John Calipari, will announce the exclusive use of Udderly Kentucky milk in Orange Leaf's frozen yogurt products in 11 shops across Kentucky. The milk is produced by 105 Kentucky dairy farm families and processed by Prairie Farms Dairy of Somerset, Kentucky. Commissioner Comer thanked the board for their support through the KADF.

Commissioner Comer informed the board that the privatization of the Kentucky Department of Agriculture's fuel testing department will save \$600,000 per year. In

addition the equipment sold generated \$2,144,000, approximately the same as when purchased. He stated that the money generated will be returned to the taxpayers of Kentucky.

### **Approval of Minutes**

Commissioner Comer entertained a motion to approve the minutes of the August 16, 2013 KADB meeting.

Pat Henderson moved to approve the minutes as presented; Dr. Betty Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

### **Executive Director's Report**

Commissioner Comer yielded the floor to Roger Thomas, Executive Director, Governor's Office of Agricultural Policy (GOAP) to give his report to the board.

Mr. Thomas gave an update outlining meetings/events attended since the last board meeting.

Mr. Thomas announced that GOAP received the 2013 Energy Leadership Award at the 37th Governor's Conference on Energy and the Environment. The award was received on behalf of the KADB.

Mr. Thomas referenced a memo (on file with the board secretary) from Angela Blank, Director of Public Affairs, summarizing the value of the Kentucky Broadcasters Association Public Education Partnership (PEP) program commercial/radio air dates from August 2012 through July 2013 with detail of July activity. Ms. Blank announced that new commercials will air in October promoting Kentucky's beef, pork and poultry industries.

Troy Rankin shared that he attended the Pulaski field day where the shared-use equipment, purchased with KADF funds, was on display.

Jim Mahan announced that Warren Beeler was inducted into the UKAg Animal and Food Sciences Hall of Fame. The board congratulated Mr. Beeler.

Mr. Thomas called on Joel Neaveill, Chief of Staff, to report on the new Grant Management System.

Mr. Neaveill stated that the new Grant Management System (GMS) will rollout as of January 1, 2014. This system will be more efficient and allow for greater information in which to provide to the board. In addition, GMS will allow for county reporting, communication with applicants, including applying on line.

Mr. Thomas stated that during the KAFC Operations Committee meeting at Carter Caves, the committee requested that the KAFC Statement of Financial Position be more streamlined. Cyndi Hall, Loan Programs Manager, Bill Hearn, Fiscal Officer, and Bill McCloskey, Director of Financial Services, created a new format for reporting the

Statement of Financial Position. The new format was approved at the September 6, 2013 KAFC Board Meeting and is presented to the KADB today.

Mr. Thomas called on Mr. McCloskey to review the Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position (on file with the Board Secretary) as of August 31, 2013.

Dr. Bailey moved to accept the KAFC Financial Report; Jim Sidebottom seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. Thomas informed the Board that Kentucky and 5 other states (Indiana, Marilyn, Missouri, New Mexico and Pennsylvania) were notified on September 11 that they were found to be non-diligent in their MSA enforcement efforts in 2003. This adverse ruling by the arbitration panel, composed of three retired Federal judges, was certainly not expected by those working on behalf of Kentucky. Discussions on strategies to lessen the effects of this ruling are on-going between Kentucky and other states. It could be March 2014 before the affected states know the exact amount of their share of the financial liability.

### **Presentation**

Kylee Palmer, Director of Compliance, informed the board that the Kentucky Horse Council was approved in 2011 for \$300,000 in state funds to conduct a comprehensive equine survey to measure the economic impact of the equine industry in Kentucky. Per the legal agreement, the Recipient is to make a presentation to the board regarding the completed survey results, reports and related activities including the economic impact study.

#### **Kentucky Horse Council (A2011-0159)**

Ms. Palmer introduced Dr. Jill Stowe, Director, UK Ag Equine Programs, and Dr. Susan Schneider, Executive Director, Kentucky Horse Council, to present to the Board. A PowerPoint presentation as well as a copy of the 2012 Kentucky Equine Survey (on file with the board secretary) was provided.

### **Old Business**

#### **Memo Action Item**

Commissioner Comer called on Mr. McCloskey to present the following Memo Action Item to the Board for consideration:

#### **Holland Farm A2013-0070**

Mr. McCloskey presented a memorandum and attachments (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested reconsideration of his application which was denied at the June 21, 2013 KADB meeting, having not met Guideline 14. Mr. Holland requested the board omit

income that is related to the conversions of retirement plans, which would allow him to meet Guideline 14.

The White Application Review Committee recommended approval of this request.

Mr. Henderson moved to approve the committee recommendation as presented; Wayne Mattingly seconded the motion.

VOTE: Motion Passed; Unanimous

## **New Business**

### **New Applications for Referral<sup>1</sup>**

Commissioner Comer referenced four (4) applications for referral:

Mr. Sidebottom moved to refer the submitted applications; Mr. Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

### **Programs Recommended for Approval<sup>2</sup>**

Commissioner Comer referenced seven (7) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$1,250,522; two (2) Deceased Farm Animal Removal Program (DAR) applications requesting county funds totaling \$15,000; and one Shared-use Equipment application requesting county funds totaling \$1,500. Total program funding requested \$1,267,022.

Sam Moore moved to approve the program recommendations as presented; Karen Curtis seconded the motion.

VOTE: Motion Passed; Unanimous

### **Requested Program Amendments<sup>3</sup>**

Commissioner Comer referenced four (4) CAIP Amendments requesting county funds totaling \$150,846.

Mr. Mahan moved to approve the program amendments as presented; Mr. Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

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<sup>1</sup> A detailed list of Applications for Referral is attached as Appendix A.

<sup>2</sup> A detailed list of projects funded under the County Agricultural Investment Program, Deceased Farm Animal Removal Program and Shared-use Equipment Program is attached as Appendix B.

<sup>3</sup> A detailed list of County Agricultural Investment Program amendments is attached as Appendix C.

### **Project Recommendation for Funding**

Commissioner Comer called on Biff Baker, Project Manager, to present the following project recommendation for funding:

#### **Morehead State University      A2013-0247**

Mr. Baker presented the above-referenced project from Morehead State University (MSU) requesting \$70,000 in State funds and \$20,000 in the following county funds: Rowan (\$10,000); Elliott (\$5,000); Morgan (\$2,500) and Fleming (\$2,500) to construct a food technology lab and food service area at the Derrickson Agricultural Complex at MSU. To date, the following counties have made commitments: Rowan (\$10,000); Elliott (\$5,000) and Morgan (\$2,500).

The White Application Review Committee recommended funding this request for up to \$90,000 in state and county funds.

Ms. Curtis moved to approve the committee recommendation; Mr. Rankin seconded the motion.

Dean M. Scott Smith moved to amend the motion to state that if Fleming County funds were not approved, state funds would not make up the difference, resulting in a total of \$87,500; Wayne Mattingly seconded the motion to amend.

After discussion, Ms. Curtis called the question.

Commissioner Comer called for a vote on the motion to amend

VOTE: Motion to Amend Passed; with Dissention

Commissioner Comer called for a vote on the motion as amended

VOTE: Motion as Amended Passed; Unanimous

### **Project Recommendation for No Funding**

Commissioner Comer called on Mr. Baker to reference the project recommendation for No Funding.

#### **Barren County Board of Education      A2013-0024**

Mr. Baker presented the above-referenced project from Barren County Board of Education requesting \$400,000 in state funds and the following county funds: \$200,000 (Barren), \$7,500 (Allen), \$7,500 Edmonson, \$10,000 (Green) \$10,000 (Hart), \$10,000 (Metcalf), \$7,500 (Monroe) and \$10,000 (Warren) to construct Phase 1 of 3 phases of the proposed Barren County Ag Expo Center.

The Red Application Review Committee recommended no funding this request as the applicant had not received commitments from Allen, Green, Hart,

Metcalfe, Monroe and Warren counties. In addition, the committee had already communicated to the applicant its lack of support for committing state funds.

Don Goodin moved to approve the committee recommendation; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

### **Pending Applications**

Commissioner Comer referenced the following pending applications and invited the board to ask questions of any:

A2013-0217	Franklin Simpson High School Agricultural Education Program
A2013-0265	ProEquine Link, LLC

No action necessary.

### **Closing Remarks**

Mr. Thomas announced that the next KADB meeting would be held on October 29 at the Sloan Convention Center in Bowling Green.

### **Adjournment**

Commissioner Comer entertained a motion to adjourn.

Dr. Bailey moved to adjourn the September KADB meeting; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous

The KADB meeting adjourned at 11:40 a.m. (EDT).

APPROVED DATE: October 29, 2013

PRESIDING OFFICER: James R. Comer  
James R. Comer

BOARD SECRETARY: Teresa Spreitzer  
Teresa Spreitzer

## Appendix A: Applications for Referral

APP #	APPLICANT	COUNTY
A2013-0272	Jessamine County FFA Alumni Association Inc. <i>Farmers Back to School Program</i>	Jessamine
A2013-0274	Kentucky Center for Agriculture and Rural Development <i>Technical Assistance to Agribusinesses</i>	Hardin
A2013-0275	The Weekly Juicery, LLC <i>Centralized Distribution Facility</i>	Fayette
A2013-0276	Appalachia-Science in the Public Interest <i>Regional Food Hub</i>	Rockcastle

## Appendix B: Program Lists

### CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2013-0270	Laurel County Cattlemen's Association, Inc.	Laurel	\$100,000.00
A2013-0279	Robertson County Soil Conservation District	Robertson	\$238,600.00
A2013-0280	Wayne County Agriculture Development Council Inc.	Wayne	\$162,000.00
A2013-0281	Carroll Co. Agriculture Development Fund, Inc.	Carroll	\$118,471.00
A2013-0282	Gallatin County Livestock Association, Incorporated	Gallatin	\$91,451.00
A2013-0283	Owen County Farm Bureau, Inc.	Owen	\$300,000.00
A2013-0284	Casey County Conservation District	Casey	\$240,000.00
			<u>\$1,250,522.00</u>

### Deceased Farm Animal Removal Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2013-0277	Adair County Conservation District	Adair	\$7,500.00
A2013-0278	Shelby County Fiscal Court	Shelby	\$7,500.00
			<u>\$15,000.00</u>

### Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2013-0273	Pulaski County Conservation District	Pulaski	\$1,500.00
			<u>\$1,500.00</u>

Total County Funds Recommended for Approval in Programs: **\$1,267,022.00**



## Appendix C: Program Amendments

**App #** A2013-0120  
**Applicant Name** Jessamine County FFA Alumni Association Inc.  
**Original Amount Approved** \$200,000  
**Execution Date** 05/28/2013  
**Requested Change** The applicant requests an additional \$50,000 in Jessamine County funds for the CAIP Program. The request received a high priority from the Jessamine County Council.  
 This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.  
 Approval of this request would bring the program total to \$250,000.  
**Recommend Approval**

**App#** A2013-0176  
**Applicant Name** Whitley County Cattlemen's Association, Inc.  
**Original Amount Approved** \$27,258  
**Execution Date** 07/10/2013  
**Requested Change** The applicant requests an additional \$15,760 in Whitley County funds for the CAIP Program. The request received a high priority from the Whitley County Council.  
 This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.  
 Approval of this request would bring the program total to \$43,018.  
**Recommend Approval**

**App#** A2013-0185  
**Applicant Name** Garrard County Farm Bureau, Inc.  
**Original Amount Approved** \$200,000  
**Execution Date** 07/12/2013  
**Requested Change** The applicant requests an additional \$60,000 in Garrard County funds for the CAIP Program. The request received a high priority from the Garrard County Council.  
 This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.  
 Approval of this request would bring the program total to \$260,000.  
**Recommend Approval**

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## ***Appendix C: Program Amendments***

App #	A2013-0196
Applicant Name	Adair County Cattlemen's Association, Inc.
Original Amount Approved	\$203,000
Execution Date	08/02/2013
Requested Change	<p>The applicant requests an <u>additional</u> \$25,086 in Adair County funds for the CAIP Program. The request received a <u>high</u> priority from the Adair County Council.</p> <p>This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.</p> <p>Approval of this request would bring the program total to \$228,086.</p> <p><b>Recommend Approval</b></p>

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**KENTUCKY AGRICULTURAL  
DEVELOPMENT FUND**

## Kentucky Agricultural Development Board Meeting **MEETING AGENDA**

*Franklin County Cooperative Extension Office  
101 Lakeview Court, Room E/F  
Frankfort, Kentucky 40601*

**Friday, September 20, 2013  
10:00 a.m. (EDT)**

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**Call to Order**

**Roll Call**

**Notification of Media**

**Welcome**

**Review and Approval of Meeting Minutes for August 16, 2013**

**Executive Director's Report**

Roger Thomas, Executive Director

**Presentation**

Kentucky Horse Council (A2011-0159)

Susan Schneider, Executive Director, Kentucky Horse Council

Dr. Jill Stowe, Director, UK Ag Equine Programs

**Old Business**

Memo Action Items

A2013-0070 Holland Farm

*2013 KADF On-Farm Efficiency & Production Incentive Program  
Reconsideration Request*

**New Business**

New Applications for Referral

Programs Recommended for Approval

Requested Program Amendments

Recommendations for Funding

Recommendations for No-Funding

Pending Applications

**Adjournment**